Impending Labor Market Challenges: Males between the Blades of the Marshallian Scissors

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Session: Cognitive and Non-Cognitive Skills
Impending Labor Market Challenges

1. Two inertial forces on a collision course
   a. Polarization of job opportunities, reducing opportunities for middle-educated workers (high school grad esp.)
   b. Stagnating educational attainment of U.S. males

2. In the U.S. polarization has occurred in the face of rising wage inequality between education groups.

3. Changes in demand are only half the explanation. The other is slow growth of college attainment.

4. This is a U.S. *male* phenomenon.

5. Adverse consequences in the labor market and more broadly
Changes in Employment Share by Job Skill Tercile, 1993-2006
Comparison of U.S. and European Union Countries

Source: Goos, Salomons and Manning (2009)
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Composition Adjusted College/High-School Weekly Wage Ratio, 1963-2008

College/High-School Log Relative Supply, 1963-2008

Log Relative Supply Index

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Male v. Female College Stagnation: True among Whites, Blacks and Hispanics (but not Asians)

College Completion Rates of Young Adults, Ages 25-34, by Gender and Race, 1970 - 2008

Male HS Grad Rates: Falling for Post-1970 Birth Cohorts
(Excluding GEDs)

Red lines denote HS graduation rate of 1951-1955 birth cohort

Source: Heckman and LaFontaine, 2007
Female HS Grad Rates: Stable or Rising
1946 - 1980 Birth Cohorts (excluding GEDs)

Red lines denote MALE HS grad rates
1951-1955 birth cohort

Source: Heckman and LaFontaine, 2007
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Male College Completion Rates as of 2009 by Country and Birth Cohort

Source: Eurostat, U.S. Census Bureau
Female College Completion Rates as of 2009 by Country and Birth Cohort

Source: Eurostat, U.S. Census Bureau
Ratio of Female to Male College Completion Rates in 2009 by Country and Birth Cohort

US v. EU Averages

European Union Nations

Source: Eurostat, U.S. Census Bureau
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When an Unstoppable Force Meets an Immovable Object: The Declining Occupational Stature of U.S. Males
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Employment to Population Rates of Black and White Males and Females Ages 20+, 1973 - 2010

Source: U.S. Bureau of Labor Statistics
When an Unstoppable Force Meets an Immovable Object: 
The Declining Occupational Stature of U.S. Males

Changes in Real Hourly Earnings by Education and Sex, 1979 - 2007

Source: May/ORG CPS data for earnings years 1973-2009. The data are sorted into sex-race-age-
Regression Results: Relationship between the Change in Employment-to-Population Ratios and Changes in Real Log Hourly Wages 1979-2009

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Change in log hourly wage</td>
<td>0.33***</td>
<td>0.17***</td>
<td>0.70***</td>
<td>0.29***</td>
<td>0.41***</td>
<td>0.58***</td>
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<tr>
<td>t-statistic</td>
<td>6.31</td>
<td>3.4</td>
<td>6.36</td>
<td>3.31</td>
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<td>12.69</td>
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<tr>
<td>Constant</td>
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<td>-0.01**</td>
<td>-0.09***</td>
<td>-0.03***</td>
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<td>Observations</td>
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<td>118</td>
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<td>118</td>
<td>120</td>
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<tr>
<td>R-squared</td>
<td>0.25</td>
<td>0.09</td>
<td>0.26</td>
<td>0.09</td>
<td>0.11</td>
<td>0.58</td>
</tr>
</tbody>
</table>
### OLS Regression: \( \Delta \) Epop on \( \ln(\text{Wage}) \) 1979 – 2009

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>White</th>
<th>Black</th>
<th>Other</th>
<th>16-39</th>
<th>40-64</th>
<th>High School Grad. and Below</th>
<th>College Grad. and Above</th>
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<tbody>
<tr>
<td>1979-2009</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>( \Delta ) log hourly wage</td>
<td>0.36***</td>
<td>0.47***</td>
<td>0.61***</td>
<td>0.55***</td>
<td>0.27***</td>
<td>0.57***</td>
<td>0.58***</td>
<td>0.85***</td>
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<tr>
<td>t-statistic</td>
<td>5.75</td>
<td>6.60</td>
<td>8.26</td>
<td>4.42</td>
<td>3.53</td>
<td>7.74</td>
<td>9.45</td>
<td>9.01</td>
<td>7.12</td>
</tr>
<tr>
<td>Constant</td>
<td>0.11***</td>
<td>-0.02*</td>
<td>-0.06***</td>
<td>-0.10***</td>
<td>-0.08***</td>
<td>-0.07***</td>
<td>-0.06***</td>
<td>-0.05***</td>
<td>-0.04***</td>
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<tr>
<td>t-statistic</td>
<td>-12.57</td>
<td>-1.72</td>
<td>-5.02</td>
<td>-7.26</td>
<td>-5.68</td>
<td>-6.65</td>
<td>-5.69</td>
<td>-4.58</td>
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<tr>
<td>Observations</td>
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<td>60</td>
<td>40</td>
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<td>40</td>
<td>60</td>
<td>60</td>
<td>48</td>
<td>72</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.36</td>
<td>0.43</td>
<td>0.64</td>
<td>0.34</td>
<td>0.25</td>
<td>0.51</td>
<td>0.61</td>
<td>0.64</td>
<td>0.42</td>
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Source: May/ORG Current Population Survey. See note to Table 1 and Data Appendix.
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Incarceration Rate of Males Ages 25 - 39 by Race
1970 - 2008

White Men

Black Men

Hispanic Men

Year

Less Than H.S.
High School
More than H.S.

Source: Census and American Community Survey
Marriage Rates of Young Men Ages 25 - 39 by Race
1970 - 2008

Source: Census and American Community Survey
Marriage Rates of Young Women Ages 25 - 39 by Race
1970 - 2008

Source: Census and American Community Survey
Fraction of Young Women Ages 25 – 39 Reporting at Least One Child Living in the Household

Source: Census and American Community Survey
Fraction of Young Men Ages 25 – 39 Reporting at Least One Child Living in the Household

Source: Census and American Community Survey
Conclusions: Males between the Blades of the Marshallian Scissors

1. Two inertial forces on a collision course
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2. Challenge for labor market

3. Perhaps larger challenge for societal well-being
   - Males with low earnings capacity are less marriageable
   - Women invest: More in labor market less in marriage market
   - Males go to pieces
   - What happens to kids?

4. Why don’t absentee fathers work (much)?
   - The ‘last one holding the bag’ theory…?